

CHAPTER 10 REAL PROPERTY

10.1 RELATED STATUTORY AUTHORITY

1. SC Code § 1-11-65 requires that all transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board.
2. SC Code § 2-47-50 requires all projects involving acquisition of real property to be established as a permanent improvement project (PIP).

10.2 ACQUISITION OF REAL PROPERTY (See Chapter 7 and Appendix E of Part I of the Manual)

An Agency desiring to acquire real property must work through the Capitol Budgeting Unit. For more details see Chapter 7 and Appendix E of the Manual for Planning and Execution of State Permanent Improvements – Part I (<http://www.budget.sc.gov/OSB-cbu-manual.phtm>).

10.3 DEMOLITION OF REAL PROPERTY

A. OBTAINING APPROVAL

The Agency may not demolish any buildings or other improvements until it receives written approval from the State Engineer. Requests for approval to demolish real property must include the following:

1. A complete description of the real property to be demolished, including age, size, type of construction, use, condition, exterior and interior photographs, etc.;
2. The reason for demolishing the real property;
3. The estimated cost of demolition; and
4. The source of funds.

When the Agency expects the cost of demolition to exceed \$100,000 (\$500,000 for higher education), the Agency must establish a PIP before submitting the request for approval to the State Engineer, unless the demolition is a part of an established PIP.

The OSE will give notice of demolition of any building and/or permanent improvement to State Building and Property Services.

The agency must submit written notification of demolition to SCDHEC (Bureau of Air Quality Control) at least 10 working days before demolition begins, even if there is no asbestos present.

B. DEMOLITION IN FLOOD HAZARD ZONE

When a demolition project is in a flood hazard zone, the Agency must obtain a permit (Form SE-901) from OSE prior to the start of any work. The Form SE-900 submitted by the Agency must include the requirements listed in Chapter 5 and the following information:

1. Where the Agency or its contractor will store the debris and for how long;
2. Where the Agency or its contractor will store the demolition equipment and for how long; and
3. If the project is located in a regulatory floodway, the effect of removing the structure on base flood elevations.

10.4 MOVING REAL PROPERTY

Any Agency wishing to move any existing building, including a modular building, onto state lands must first obtain the written approval of the State Engineer. The Agency must make all improvements necessary for the moved property to comply with the requirements of the applicable codes and standards for new structures as described in Chapter 5. The Agency must make these improvements within 90 days of the date of the State Engineer's written approval to move the property. The State Engineer may grant a time extension for matters beyond the control of the agency.

The Agency's requests for approval to move real property must include the following:

1. A description of the structure to be moved, including age, size, type of construction, condition, etc.;
2. The location of the structure and its current use;
2. The location (provide map) the property is being moved to;
3. The use of the property at the new location;
4. The estimate of cost of moving;
5. The cost of rehabilitation of the property for its new use;
6. Plans and specification for improvements required in order for the property to comply with all applicable codes and standards as described in Chapter 5; and
7. The source of funds for moving and rehabilitating the property.

When the Agency expects the cost of moving the structure to exceed \$100,000, it must establish a PIP before submitting the request for approval to the State Engineer.

The OSE will give notice of moving any building and/or permanent improvement to State Building and Property Services.

10.5 SALE OF REAL PROPERTY

When any agency determines that the best method of disposal or removal of a building is by sale to the public, it must obtain approval from the Board. The Agency must submit requests for approval to General Services - Real Property Services. Contact Real Property Services for requirements.

10.6 LEASE - PURCHASE ARRANGEMENTS

Lease-purchases are those leases that provide for equity accrual, and eventual State ownership of the property. The procedures and requirements listed in this chapter for the acquisition of real property may apply to a lease-purchase of real property. If the property acquisition involves the construction of new improvements, the Procurement Code may apply. Because the Board handles each lease-purchase on a case-by-case basis, the Agency should contact both the State Engineer and the Division of General Services - Real Property Services to determine the applicable procedures.

Regardless of which acquisition procedures apply, the Agency must assure that the lessor prepares all construction plans and specifications for all lease-purchase construction projects in the same manner and to the same standards that apply to normal state construction projects. If the acquisition is governed by the Procurement Code, OSE will review the construction plans and specifications using the same process it does in other construction projects. If the acquisition is not governed by the Procurement Code, the Agency will have to have the property assessed, at the time of purchase (transfer of ownership to the Agency), in accordance with the requirements of the Capitol Budgeting Unit (see Part 10.2 above).

10.7 LEASING AND RENOVATION OF STATE PROPERTY BY OTHERS

If the Agency intends to lease state real property to another party, the Agency must ordinarily do so through General Services - Real Property Services. If the lessee will be improving the property, or if the lease otherwise involves an acquisition of construction, the Agency must first consult with the State Engineer.

Any lessee intending to perform construction on or renovations to state property must do so in accordance with all applicable codes and standards described in Chapter 5. The lessee must prepare construction plans and specifications in the same manner and to the same standards that apply to normal state construction projects, and submit them to OSE for review and approval prior to construction.

The Procurement Code may apply to the design and construction of any improvements to state property leased to others. Because OSE handles such leases on a case-by-case basis, the Agency must contact OSE to determine the proper procedures.

10.8 LEASING AND RENOVATION OF NON-STATE PROPERTY BY A STATE AGENCY

The Agency must ordinarily lease non-state property through General Services - Real Property Services. If the Agency constructs on or renovates non-state property, it must procure such construction or renovation in accordance with the Procurement Code. Construction plans and specifications for all construction projects involving non-state leased property, whether procured by the state agency or by the owner of the property, must comply with the requirements of the local building officials.